

Minutes Of The Board Of Trustees City Of Cincinnati Retirement System March 3, 2005

The Chairman called the meeting to order at 1:30 p.m. with the following members present:

V. Daniel Radford, Chairman
William Moller, Secretary
Valerie Lemmie, City Manager
Bernadette Watson (proxy for Mayor Luken)
Joe Harrison
Brian Pickering
Michael Rachford
Ely Ryder
Elliott Ruther (proxy for John Cranley)

Member/s Absent
Marijane Klug

The Chairman called for a motion to approve the minutes of the February 3, 2005 Board Meeting. The motion was made by Mr. Moller, seconded by Mr. Harrison and carried by the Board. The minutes were approved as prepared by the Secretary.

BENEFITS COMMITTEE

Mr. Pickering reported that there was not a quorum at the Benefits Committee meeting that was scheduled for February 24, 2005 at 2:00 p.m., in Committee Room B. Mr. Pickering presented the following report to the Board.

1. Application for Ordinary Retirement March 13, 2005: Total – 8

NO.	NAME	DEPARTMENT
36014	Mary Ann Nolte	Health
38977	Gary Smallwood	MSD
41977	Fred Davis	Parking Facilities
42313	Alice Hctor	Police
42738	Theodore McClanahan	MSD
49856	Shirley Champion	Parking Facilities
51904	JoAnn Steinriede	RCC

2. Application for Ordinary Death Benefits: Total - 1

NO.	NAME	DEPARTMENT
48227	Karen Warmack	January 20, 2003

3. Application for Retired Members Deaths: Total – 11

4. Application for Deferred Retirement Benefits: Total –3

NO.	NAME	DEPARTMENT
55335	Michael Sweeney	MSD
57755	Donna Richards	Neighborhood Services
61550	Dennis Halaby	Law

Mr. Pickering moved that the Board accept the report of the Benefits Committee. The motion was seconded by Mr. Harrison and carried by the Board.

INVESTMENT COMMITTEE

Mr. Moller reported that the Investment Committee met on February 4, 2005. There was no quorum at that meeting as Mr. Radford was the only Committee member that was able to attend.

The investment consultant did present the investment performance report for the fourth quarter. Mr. Moller indicated that the investment performance of the total fund was 6.54%, which was 132 basis points below the Cincinnati index benchmark which returned 7.86%. For the year 2004, the total fund return was 9.89% while the Cincinnati index returned 10.81%.

Mr. Moller also commented that the Investment Committee would be meeting again on March 4, 2005. The Committee will be meeting with international equity manager Jarislowsky Fraser and will also be discussing the underperformance guidelines in the Manager Evaluation Policy.

SECRETARY'S REPORT

Mr. Moller reported that as of January 31, 2005 the asset level of the fund was \$2.34 billion, a year-to-date decrease of 2.26%. Mr. Moller also commented that the asset allocation of the investment portfolio is within the target bands defined in the asset allocation policy. The most over-target asset class is international equities, so the retirement staff has been withdrawing cash from the international managers to meet the monthly cash needs of the fund.

Mr. Ryder asked if the asset level of the fund would continue to increase if the actuarial return assumptions are met. Mr. Dickson, the retirement system actuary, indicated that returns of 6% would be the approximate amount needed to satisfy the cash needs. However, the fund needs to earn 8.75% to cover cash needs, increases in accrued liabilities, and the amortization of the funding deficit.

Mr. Moller reminded the Board that the Board has never formally approved the 12/31/2003 actuarial report, and the actuary cannot present a report for 12/31/2004 until the 2003 report is approved. Mr. Dickson did comment that much of the preliminary work on the 2004 valuation can be completed, but will need a decision on the 2003 report before being able to present the 2004 report to the Board. Mr. Moller commented that the 2004 report does not have to be presented by the May target date, but the Board should not wait too much longer than that to get the report.

The Secretary submitted the following report:

1. Resolution for Enrollment of New Members – Total: 20
2. Resolution for Return of Contributions & Death Benefits– Total: 32
Amount: \$183,607.67
3. Resolution for Loans to Members – Total: 43 Amount: \$499,023.32
4. Report on Deaths of Pensioned Members – Total: 18
5. Report on Military Service Credit prior to Membership - 3

The Secretary submitted the following vouchers for payment:

PAYEE	AMOUNT
City of Cincinnati – Finance Printing Services – Charges for the month of January for Printing, Postage and Stores	\$5,943.98
Parman Group Inc. – Professional Services Rendered	\$700.00
ABS Business Products Inc. – Monthly rental base rate for copier	\$238.50
All Star Personnel Inc. – Temporary Personnel Services	\$3,877.20
Mandalay Bay – Lodging and Registration fee for Joe Harrison for conference May 5-12, 2005	\$1,442.07
Wyoming Tours and Travel, LTD – Airfare for Joe Harrison – May 5-12, 2005	\$334.79
Mae Consulting Inc. – Professional Services Rendered	\$480.00
Sarcom – Payment for Lazerjet Stacker for Printer	\$138.00

The Secretary reported that at the close of business February 28, 2005, there was in the Treasury to the credit of the Retirement System the amount of \$773,118.80.

Asset Valuation: (un-audited data)

- December 31, 2004: \$2.40 billion
- January 31, 2005: \$2.34 billion
- YTD Increase (Decrease): (2.26)%

Current Asset Allocation: (Policy Objective)

- Domestic Equity: 51.8% (50%)
- International: 14.4% (13.5%)
- Fixed Income: 33.0% (33.5%)
- Alternative Assets/Treasury Cash: 0.8% (3%)

PENDING BUSINESS

Mr. Radford reminded Board members of the Public Hearing regarding the Health Care issue will be held this evening in Council Chambers at 6:00 p.m. He also mentioned that the actuary would be present at the hearing.

ADJOURNMENT

Upon request of the Chairman for a motion to adjourn, Mr. Ryder made a motion to recess the Board Meeting pending the Public Hearing, which was to begin at 6:00 p.m. The motion was opposed 5 to 4. The meeting was adjourned at 2:50 p.m.